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are arranged under twenty headings which practically cover the field. The headings are as follows: Introductory; wants and the means of their satisfaction; natural resources as economic factors; human beings as economic factors; capital goods as economic factors; the organization of industry; examples of modern capitalistic organization; markets and trading; value; money and prices; credit and banking; international trade and foreign exchange; tariff policy; rent; wages; labor problems; interest; profits; public finance and taxation; some programs of social reform.

It is significant that though there are selections on agricultural topics scattered throughout the book, yet no separate heading is given to agriculture. Such treatment of an industry which employs more persons than any other occupation is striking, yet it accords, in the main, with the practice of most of our text books on economics. Among the chief omissions are selections on crises, child labor, government and municipal ownership.

A few of the selections are probably too difficult for the elementary student, as, for example, the proposal for a compensated dollar, and especially the discussion of the method whereby, under this plan, loss to the government by speculation would be prevented (p. 476).

Barring these minor criticisms, the selections, as a whole, are very well chosen, and the book admirably serves the purpose for which it was designed.

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MOORE, HENRY L., *Laws of Wages*. Pp. viii, 196. Price, \$1.60. New York: The Macmillan Company.

That Professor Moore has made a notable contribution to the literature of economic statistics there can be no doubt. That he has been equally successful in breaking the path for a science of "statistical economics" is less certain. And it is with reference to this second criterion that the book really challenges criticism. Moreover, it may be said fairly that none but rigid and exacting critical standards are appropriate to the purpose. This is not only on account of the deservedly high reputation of the author, but also because the book itself aims at a very high mark and must be judged with reference to the standards which it sets for itself.

Taking a leaf from the logic of the exact sciences, the author suggests that the theorems of pure economics are but "hypotheses" and need to be put to the test of statistical verification before they can be regarded as "scientific laws." Now there is no reason why Professor Moore should not use economic theorems as hypotheses, if he so chooses. Indeed, the conclusions of *a priori* economics are bound to be of some service to the economic statistician in helping him to select fruitful lines of inquiry from among the infinite variety open to him. In other words, debatable economic theorems may suggest certain questions which the statistician may profitably ask of his material. But other profitable statistical questions arise in other ways. Everyone who has had any extended experience in handling statistics will, for example, know the way in which new and sometimes profitable hypotheses are suggested by unexpected trends or apparent incongruities in the figures themselves. The field of economic statistics

is distinctly a broader and richer field than that of Professor Moore's "statistical economics." Professor Moore, it should in fairness be said, does suggest that one of the objects of statistical economics is "to supply data for the elaboration of dynamic economics," which latter field is, I suppose, to be taken as defined by Professor Clark.

But when Professor Moore goes so far as to urge that the so-called laws of economics are merely hypotheses the present reviewer feels bound to record his disagreement. Fully to state the grounds of such disagreement would involve traversing at some length well worn paths in the field of the logic of scientific method. Here there is room only for the statement of the opinion that the theorems of pure economics, if reached in accordance with the rules of logical inference and interpreted with due regard to the limitations implicit in the premises, have a right of their own to rank as "scientific laws."

The unfortunate results of Professor Moore's determination to put his work in a definite relation to economic theory may be found in particulars, as well as in the general scheme of his work. Take for example what Professor Moore offers as statistical tests of the "subsistence" and "standard of life" theories of wages. He shows, in a piece of good statistical work, that there is only a small correlation between the variations of the cost of subsistence and the variations of wages among the different départements of France, while wages and the standard of life (as indicated by the *prix de pension*) exhibit a marked correlation. This is important statistical work, and it is well done, but what has it to do with the particular theories of wages named? Neither of these theories was a theory of local variations in wages, nor was either of them a theory of "market wages." Both were theories of "normal" or "natural" wages and implied the working out of long-time tendencies. An American banker given to writing on economic topics in an address before a scientific association a few years ago attacked one or another of the theories relating to the "general level of wages," and cited in support of his case the fact that wages in the Orient are only a fraction of what they are in Europe and America! This was clearly absurd, but Professor Moore's conclusions imply a precisely similar reasoning. Nor is it clear that the fact that there is correlation between wages and the relative amount of machine power with which the laborer works has any bearing upon the "productivity" theory of wages.

A number of critics have already taken Professor Moore to task for assuming that because the frequency distributions of both wages and (presumably) of ability approach the "normal" type, it must follow that productive efficiency and wages are correlated. Taken rigidly, this is, of course, a *non sequitur*, and yet may we not admit that in the absence of any other explanation of the "normality" of the distribution of wages, Professor Moore's figures add some strength to the general impression, founded upon common observation, that productive efficiency and wage-getting capacity are in some measure correlated, even if not so closely as might be wished.

The mere fact that wages are distributed "normally," so far as it is true, may not of itself point to the presence of any particular principle. But the distinctly skew distribution which Professor Moore finds in American wage statistics raises a problem. Professor Moore's assumption that the wage

earners under consideration may be divided into two "non-competing groups" enables him to fit his curve to the statistics very neatly, but involves, admittedly, an artificial simplification of the facts. The factors that might bring about such a result (*i.e.*, larger average differences in the wages received by the better paid laborers than in those received by the poorer paid) are manifold. The long training required for some of the better paid positions; a (resulting) skew distribution of acquired, as contrasted with native, ability; the general fact that the paths of least resistance lead to the poorest paid occupations; the premium on efficiency among manufacturing employees arising from the fact that the amount of fixed capital employed must often be proportioned to the number of employees; these and other considerations suggest themselves in addition to those cited by Professor Moore.

I think it not an unfair judgment that Professor Moore is more interested in the niceties of the mathematical method than he is in either his sources or his results. His sources, it is true, are chosen with care and discrimination, but there is lacking any critical discussion of their representative character, the degree of confidence that may be felt in their accuracy, and their general adequacy for the purposes in hand. Moreover, Professor Moore's interest in technique sometimes leads him to take roundabout and difficult paths where shorter ones would lead him more easily to the same results. His use of Pearson's solution of the Galton difference problem in his discussion of the relations of wages to ability is probably a case in point. A striking instance is afforded by his choice of a method for ranking the various causes of strikes "according as they are the origin of strikes that are likely to succeed, to succeed partly, or to fail." Most statisticians would be content to rank such causes according to the per cent which successful (and partly successful, and unsuccessful) strikes make of the strikes called on account of a given cause. Professor Moore thus describes his own procedure: "If the percentage deviations of the actual figures in the subcontingency groups are computed from independent probability, then the magnitude and signs of the percentages will supply indices of the rank of the causes." Now it happens that this "percentage deviation from independent probability" is equal to the simple percentage multiplied by a constant and decreased by unity. That is, Professor Moore's ranking of causes is precisely that which would be given by the use of the simple and obvious method! This is not an isolated example of a certain pedantry of method which may be found in the book.

The present reviewer cannot concede that the book has all of the significance which it seems to claim for itself. He wishes that Professor Moore had called the book, "Essays in Economic Statistics," or something of the sort. But there is very little accomplished work in the field of economic statistics which can be ranked with Professor Moore's in the combined qualities of conscientious workmanship and brilliant analysis.

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